

Docket No.
15-999-01

ORIGINAL



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**VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY**

Gary Widerburg
Commission Secretary
Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, Utah 84111

Re: PacifiCorp Notice of Affiliate Transaction
Docket No. 05-035-54

Dear Mr. Widerburg:

Pursuant to Commitment U3(2), incorporated in the Public Service Commission of Utah's *Report and Order* approving the *Acquisition of PacifiCorp by MidAmerican Energy Holdings Company* (MEHC)¹, issued January 27, 2006, as amended March 14, 2006, and June 5, 2006, Rocky Mountain Power d.b.a. PacifiCorp hereby provides notice of an affiliate interest transaction with Wells Fargo Bank, N.A. (Wells Fargo).

PacifiCorp selected Wells Fargo to be the custodian to hold assets for its Long Term Incentive Plan (LTIP) as explained below. A confidential copy of the draft Form of Custody Agreement (Agreement) is included as Confidential Attachment A. Attachment A contains commercially-sensitive information, which if disclosed, could expose PacifiCorp to competitive harm and cause increased costs. Confidential Attachment A contains a "draft" designation, which will be removed upon execution of the Agreement, however the Agreement will remain confidential. The Company does not expect any material changes to the terms and conditions of the Agreement.

PacifiCorp is a wholly-owned indirect subsidiary of Berkshire Hathaway Energy Company (BHE). BHE is a subsidiary of Berkshire Hathaway, Inc. (Berkshire Hathaway). On December 31, 2013, Warren E. Buffet (an individual who may be deemed to control Berkshire Hathaway), Berkshire Hathaway, various subsidiaries of Berkshire Hathaway, and various employee benefit plans of Berkshire Hathaway subsidiaries together held in excess of five percent of Wells Fargo & Company common stock. Wells Fargo Bank, N.A. is a subsidiary of Wells Fargo & Company. Therefore, Berkshire Hathaway's ownership interest in Wells Fargo & Company and BHE may create an affiliated interest in some PacifiCorp jurisdictions.

¹ As of April 30, 2014, MEHC was renamed Berkshire Hathaway Energy.

Currently, BHE provides an LTIP for designated employees of BHE and certain of its subsidiaries, including PacifiCorp. Beginning in January, 2015 those BHE subsidiaries, including PacifiCorp, will implement and administer their own individual LTIPs and no longer be part of the BHE LTIP. PacifiCorp does not include LTIP in rates. However, the Company provides notice of this transaction with Wells Fargo to ensure consistent treatment of affiliate contracts.

PacifiCorp selected Wells Fargo to serve as the custodian to hold the LTIP assets due to Wells Fargo providing similar custody services for the current BHE LTIP, overall satisfaction with its administration and services, reports and fees. The selection of Wells Fargo was not influenced by Berkshire Hathaway's ownership interest. PacifiCorp will pay a fee to Wells Fargo, priced at market rates or better, based on the number of transactions and consistent with other financial arrangements currently in place.

As a public utility, the Company is expected to acquire, construct, improve, and maintain sufficient utility facilities to serve its customers adequately and reliably at reasonable cost. Holding assets in a custodial account is a prudent arrangement to set aside assets to fund the Company's LTIP obligations. Accordingly, the transaction is consistent with the public interest.

Please do not hesitate to contact me if you have any questions.

Best Regards,

A handwritten signature in black ink, appearing to read "R. Jeff Richards", with a stylized, cursive script.

R. Jeff Richards
Vice President and General Counsel
PacifiCorp

Enclosures

cc: Chris Parker, DPU
Michele Beck, OCS